

Message Text

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PAGE 01 GENEVA 06164 200258Z

60

ACTION EB-11

INFO OCT-01 NEA-10 ISO-00 EUR-25 AGR-20 CEA-02 CIAE-00

COME-00 DODE-00 FRB-02 H-03 INR-10 INT-08 L-03 LAB-06

NSAE-00 NSC-10 PA-04 RSC-01 AID-20 CIEP-02 SS-20

STR-08 TAR-02 TRSE-00 USIA-15 PRS-01 SPC-03 OMB-01

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FM USMISSION GENEVA

TO SECSTATE WASHDC 2637

INFO AMEMBASSY NEW DELHI

LIMITED OFFICIAL USE GENEVA 6164

E.O. 11652: N/A

TAGS: ETRD, GATT, IN

SUBJECT: INDIAN ARTICLE 28 RENEGOTIATIONS

REF: GENEVA 5747

1. INDIAN REP TO CP'S 29TH SESSION, S. NARASIMHAN
(DEPUTY SECRETARY, MINISTRY OF COMMERCE), GAVE
ECON COUNSELOR SOME PRELIMINARY UNOFFICIAL COMMENTS ON US
REQUEST LIST. GOI WILL RESPOND OFFICIALLY AFTER RECEIPT
AND ANALYSIS OF CLAIMS FROM OTHER TRADING PARTNERS BUT
NARASIMHAN SUGGESTED PROSPECTS OF REACHING MUTUALLY
ACCEPTABLE AGREEMENT WITH US LIKELY BE GREATLY IMPROVED
IF US EXPERTS COULD LOOK FOR BUILT OF COMPENSATION IN
REQUESTS FOR INDIAN ELIMINATION OF MARGINS OF PREFERENCE
CURRENTLY GRANTED TO UK. HE SAID PREFERENCE MARGINS
ARE EASILY IDENTIFIABLE IN INDIAN CUSTOMS TARIFF AND
INDICATED GOI WOULD BE RECEPTIVE TO US REQUESTS
TO ELIMINATE NUMBER OF THEM. HE RECALLED US RECOG-
NIZED VALUE OF SUCH ELIMINATION IN MOST RECENT US-
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PAGE 02 GENEVA 06164 200258Z

INDIA 28 CASE (REF GENEVA 1527 APRIL 26, 1971) AND

SAID US EXPORTERS LIKELY BENEFIT MORE BY BEING PUT ON EQUAL COMPETITIVE FOOTING WITH UK RATHER THAN WORRYING ABOUT PARTICULAR INCREASES IN INDIAN TARIFFS SINCE LATTER NOT REALLY PROTECTIVE ANYHOW, I.E. IF REASONABLE SUBSTITUTE AVAILABLE FROM INDIAN PRODUCTION, IMPORT LICENSING SYSTEM RATHER THAN THE TARIFF IS CONTROLLING TRADE POLICY INSTRUMENT AND, IF IMPORTS NEEDED, HEIGHT OF TARIFF NO BARRIER AS COSTS PASSED ON IN PRICE TO FINAL CONSUMER. EXISTENCE OF A PREFERENCE MARGIN FOR UK SUPPLIERS DOES GIVE SLIGHT EDGE TO UK, HOWEVER, AND NARASIMHAN FELT IT WOULD BE BOTH EASIER FOR GOI AND OF MORE TRADE VALUE TO US TO LOOK FOR COMPENSATION VIA THIS ROUTE.

2. NARASIMHAN DID NOT EXCLUDE POSSIBILITY OF GOI OFFERING LIMITED TARIFF CUT ON SMALL NUMBER OF ITEMS BUT CONSIDERED GENERAL PATTERN OF US REQUESTS (50 PCT. CUTS) "OUT OF QUESTION." HE CLAIMED EXTENSIVE NUMBER OF CUTS OF MAGNITUDE US REQUESTING WOULD CONFLICT WITH BASIC PURPOSE OF "RATIONALIZING" GOI TARIFF STRUCTURE (REF NEW DELHI 0355 FOR FURTHER EXPLANATION THIS POINT).

3. NARASIMHAN DECLINED GIVE UNEQUIVOCAL ANSWER TO QUERY WHETHER 42 ITEMS ARE BEING MODIFIED OR WITHDRAWN. HE PARRIED WITH OBSERVATION THIS DEPENDS ON VALUE US WOULD ASCRIBE TO BINDING AT NEW RATE; IF US SAYS NO VALUE, ITEM WILL PROBABLY BE WITHDRAWN.

4. NARASIMHAN CLAIMED HE HOPES COMPLETE NEGOTIATIONS PROMPTLY AND SAID GOI WILLING CONDUCT NEGOTS IN GENEVA, DELHI OR WASHINGTON A FEW WEEKS AFTER GOI RESPONDS OFFICIALLY TO US REQUEST LIST. HE URGED US LOOK INTO MATTER DISCUSSED PARA 1 ABOVE WITH THIS IN MIND SINCE HE CONSIDERED IT MOST IMPROBABLY GOI COULD ACCEPT MUCH IF ANYTHING ON US REQUEST LIST.BASSIN

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Message Attributes

Automatic Decaptioning: X
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Concepts: TARIFF NEGOTIATIONS, IMPORT LICENSES
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Copy: SINGLE
Draft Date: 19 NOV 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: golinofr
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
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